

Economics - CA3 CO5 (IT G2)

Unit 5

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* Required

M4 denotes _____.*

1 point

- ☐ M1 + M2 - M3
- ☐ M1 + Time deposits with commercial and cooperative banks
- ☐ M1 + M2 + M3
- ☒ M3 + Total post office deposits



The central bank makes short-term loans to the government for a period not exceeding _____.*

1 point

- ☐ 3 years
- ☐ 1 year
- ☒ 90 days
- ☐ 60 days

The Reserve Bank of India was nationalized in _____.*

1 point

- ☐ 1934
- ☐ 1935
- ☒ 1949
- ☐ 1956



Which one of the following is a method of estimating national income? * 1 point

- ☐ Net income method
- ☐ Operating income method
- ☒ Product method
- ☐ Foreign receipts method

The portion of total deposits of a commercial bank which it has to keep with RBI in the form of cash reserves is termed as _____. * 1 point

- ☒ CRR
- ☐ SLR
- ☐ Bank Rate
- ☐ Repo Rate



The RBI's methods of credit control can be broadly divided into two parts, 1 point

_____.*

- ☐ Open and close
- ☒ Monetary and fiscal
- ☐ Rural and urban
- ☐ Quantitative and qualitative

The national income calculated at market prices or current prices is known 1 point

as _____.*

- ☐ Real Income
- ☒ Nominal income
- ☐ Deflated income
- ☐ Domestic income



GNP = _____ *

1 point

- ☒ $C + I + G + (X - M)$
- ☐ $C - I + G + (X - M)$
- ☐ $C + I - G + (X - M)$
- ☐ $C + I + G - (X + M)$

Which of the following is not the agency function of commercial banks? * 1 point

- ☐ Collecting cheques
- ☐ Granting loans
- ☒ Paying subscriptions
- ☐ Buying and selling stocks



The following are the problems in calculating national income except

1 point

_____.*

- ☐ Developing infrastructure
- ☐ Improper occupational specification
- ☐ Lack of uniformity
- ☐ Inconsistent accounting practices

When prices rise rapidly at a rate of more than 20% per annum, it is called

1 point

as _____.*

- ☐ Moderate Inflation
- ☐ Trotting Inflation
- ☒ Hyperinflation
- ☐ Walking inflation

Roll No. *

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By _____, it is implied that the central bank meets the reasonable demands for accommodation by commercial banks in times of difficulties and crisis. *

1 point

- ☐ Agent to the government
- ☐ Custodian of reserves
- ☒ Lender of the last resort
- ☐ Controller of credit

_____ is one of the monetary measures of central bank to control inflation. *

1 point

- ☒ Demonetization of currency
- ☐ Increase in taxes
- ☐ Reduction in wages
- ☐ Increase in savings



Which of the following is correct according to the exchange equation of quantity theory of money? * 1 point

- ☐ $M \cdot P = V \cdot Y$
- ☐ $M \cdot Y = P \cdot V$
- ☒ $M \cdot V = P \cdot T$
- ☐ $M \cdot P = P \cdot Y$

When too much money chases too few goods it is termed as _____. * 1 point

- ☐ Cost-pull inflation
- ☒ Demand-pull inflation
- ☐ Demand-push inflation
- ☐ Cost-push inflation



RTGS stands for _____.*

1 point

- ☐ Real-Time Global Settlement
- ☒ Real-Time Gross Settlement
- ☐ Regular Time Global System
- ☐ Real-Time Gross System

The national income of a country for a given period is equal to the _____.*

1 point

- ☐ Sum of consumption and investment expenditure
- ☐ Sum of personal income of all individuals
- ☒ A total value of goods and services produced by the nationals
- ☐ Money value of final goods and services produced



'Managed paper currency standard' followed in India requires the

1 point

_____.*

- ☐ Central bank to be the sole issuer of currency
- ☒ Paper currency in circulation to be backed by gold, foreign currency, etc.
- ☐ Currency in circulation to have a proper balance between notes and coins
- ☐ RBI to print currency against requirement only

Which one of the following is not a function of the Reserve Bank of India? * 1 point

- ☐ Currency issue
- ☐ Prescribe the capital adequacy ratio
- ☒ Opening savings accounts for the general public
- ☐ Decide Bank Rate, CRR and SLR from time to time



The primary function of money is that it is a _____. *

1 point

- ☒ Store of value
- ☐ Store of currency
- ☐ Standard of deferred payment
- ☐ Transfer of value

Which one of the following items is not related to e-banking? *

1 point

- ☒ Demand Draft
- ☐ NEFT
- ☐ ECS
- ☐ ATM



When the value of goods or services is included more than one time while calculating National Income it leads to problem of _____.^{*} 1 point

- ☐ Over counting
- ☒ Double counting
- ☐ Omission error
- ☐ Multiple income levels

Match the Following ^{*}

5 points

	July, 1969	Venezuela	M1	Coinage Act, 1906	April, 1935
Hyperinflation	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
RBI	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
First nationalization of banks	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Narrow money	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
Minting coins	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>



Cost-push inflation is a situation where the price of the end products will rise due to a rise in the price of raw materials. * 1 point

- ☐ True
- ☒ False

_____ is a situation when prices fall along with reduction in output and employment. * 1 point

- ☐ Inflation
- ☐ Deflation
- ☐ Recession
- ☒ Stagflation



RBI cannot issue bank notes higher than _____.*

1 point

- ☐ Rs.1,000
- ☐ Rs.2,000
- ☒ Rs.10,000
- ☐ Rs.50,000

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